

§ 501.5

§ 501.5 Paper table covers, bedsheets, pillowcases.

Table covers, bedsheets, and pillowcases, fabricated from paper, are exempt from the requirements of § 500.12 of this chapter which specifies the expression of measurement of bidimensional commodities: *Provided*, That such commodities shall clearly present their actual length and width in terms of inches.

[35 FR 19077, Dec. 17, 1970]

§ 501.6 Cellulose sponges, irregular dimensions.

Variety packages of cellulose sponges of irregular dimensions, are exempted from the requirements of § 500.25 of this chapter, provided:

(a) Such sponges are packaged in transparent packages which afford visual inspection of the varied sizes, shapes, and irregular dimensions; and

(b) The quantity of contents declaration is expressed as a combination of count accompanied by the term *irregular dimensions*.

Example: "10 Assorted Sponges—Irregular dimensions."

[35 FR 18510, Dec. 5, 1970]

§ 501.7 Candles.

Tapered candles and irregularly shaped decorative candles which are either hand dipped or molded are exempt from the requirements of § 500.7 of this chapter which specifies that the net quantity of contents shall be expressed in terms of count and measure (e.g., length and diameter), to the extent that diameter of such candles need not be expressed. The requirements of § 500.7 of this chapter for these candles will be met by an expression of count and length or height in inches.

[36 FR 5690, Mar. 26, 1971]

§ 501.8 Solder.

Solder and brazing alloys containing precious metals when packaged and labeled for retail sale are exempt from the net quantity statement requirements of part 500 of this chapter which specify that all statements of weight shall be in terms of avoirdupois pound and ounce provided the net quantity declaration is stated in terms of the

16 CFR Ch. I (1-1-06 Edition)

troy pound and ounce and the term *troy* is used in each declaration.

[37 FR 4429, Mar. 3, 1972]

PART 502—REGULATIONS UNDER SECTION 5(C) OF THE FAIR PACKAGING AND LABELING ACT

SCOPE

Sec.

502.1 Scope of the regulations in this part.

DEFINITIONS

502.2 Terms defined.

GENERAL REQUIREMENTS

502.3 Prohibited acts.

CHARACTERIZATION OF PACKAGE SIZE

502.4-502.99 [Reserved]

RETAIL SALE PRICE REPRESENTATIONS

502.100 "Cents-off" representations.

502.101 Introductory offers.

502.102 "Economy size".

COMMON NAME AND INGREDIENT LISTING

502.200-502.299 [Reserved]

NONFUNCTIONAL-SLACK-FILL

502.300-502.399 [Reserved]

AUTHORITY: Secs. 5, 6, 80 Stat. 1299, 1300; 15 U.S.C. 1454, 1455.

SOURCE: 36 FR 12286, June 30, 1971, unless otherwise noted.

SCOPE

§ 502.1 Scope of the regulations in this part.

The regulations in this part establish requirements for labeling of consumer commodities with respect to use of package size characterizations, retail sale price representations, and common name and ingredient listing. Additionally, the regulations in this part establish criteria to prevent nonfunctional-slack-fill of packages containing consumer commodities.

DEFINITIONS

§ 502.2 Terms defined.

As used in this part, unless the context otherwise specifically requires:

(a) The terms *Act*, *regulation* or *regulations*, *consumer commodity*, *package*,

Federal Trade Commission

§ 502.100

label, person, commerce, principal display panel, and random package have the same meaning as those terms are defined under part 500 of this chapter.

(b) The term *packager* and *labeler* means any person engaged in the packaging or labeling of any consumer commodity for distribution in commerce or any person, other than a common carrier for hire, a contract carrier for hire, or a freight forwarder for hire, engaged in the distribution in commerce of any packaged or labeled consumer commodity; except persons engaged in business as wholesale or retail distributors of consumer commodities are not included unless such persons (1) are engaged in the packaging or labeling of such commodities, or (2) prescribe or specify by any means the manner in which such commodities are packaged or labeled.

(c) The terms *ordinary and customary* and *regular* when used with the term *price* means the price at which a consumer commodity has been openly and actively sold in the most recent and regular course of business in a particular market or trade area for a reasonably substantial period of time, i.e., a 30-day period. For consumer commodities which fluctuate in price, the ordinary and customary price shall be the lowest price at which any substantial sales were made during the aforesaid 30-day period.

GENERAL REQUIREMENTS

§ 502.3 Prohibited acts.

(a) No person engaged in the packaging or labeling of any consumer commodity for distribution in commerce, and no person (other than a common carrier for hire, a contract carrier for hire, or a freight forwarder for hire) engaged in the distribution in commerce of any packaged or labeled consumer commodity, shall distribute or cause to be distributed in commerce any such commodity if such commodity is contained in a package, or if there is affixed to that commodity a label, which does not conform to the provisions of the Act and of the regulations in this part.

(b) Persons engaged in business as wholesale or retail distributors of consumer commodities shall be subject to

the Act and the regulations in this part to the extent that such persons are engaged in the packaging or labeling of consumer commodities, or prescribe or specify by any means the manner in which such consumer commodities are packaged or labeled.

CHARACTERIZATION OF PACKAGE SIZE

§§ 502.4–502.99 [Reserved]

RETAIL SALE PRICE REPRESENTATIONS

§ 502.100 “Cents-off” representations.

(a) The term *cents-off representation* means any printed matter consisting of the words “cents-off” or words of similar import, placed upon any packaging containing a consumer commodity or placed upon any label affixed to such commodity, stating or representing by implication that the commodity is being offered for sale at a price lower than the ordinary and customary retail sale price.

(b) Except as set forth in § 502.101 of this part, the package or label of a consumer commodity shall not have imprinted thereon by a packager or labeler a “cents-off” representation unless:

(1) The commodity has been sold by the packager or labeler at an ordinary and customary price in the most recent and regular course of business in the trade area in which the “cents-off” promotion is made, either to the trade in the event such commodity is not sold at retail by the packager or labeler, or to the public in the event such commodity is sold at retail by the packager or labeler.

(2) The packager or labeler sells the commodity so labeled (either to the trade in the event such commodity is not sold at retail by the packager or labeler, or to the public in the event such commodity is sold at retail by the packager or labeler) at a reduction from his ordinary and customary price, which reduction is at least equal to the amount of the “cents-off” representation imprinted on the commodity package or label.

(3) Each “cents-off” representation imprinted on the package or label is limited to a phrase which reflects that the price marked by the retailer represents the savings in the amount of the “cents-off” the retailer’s regular

price, e.g., “Price Marked is ___¢ Off the Regular Price”. “Price Marked is ___ Cents-off the Regular Price of This Package”; provided, the package or label may in addition bear in the usual pricing spot a form reflecting a space for the regular price, the represented “cents-off” and a space for the price to be paid by the consumer.

(4) The packager or labeler who sells the commodity at retail displays the regular price, designated as the “regular price”, clearly and conspicuously on the package or label of the commodity or on a sign, placard, or shelf-marker placed in a position contiguous to the retail display of the “cents-off” marked commodity, and the packager or labeler who does not sell at retail provides the retailer with a sign, placard, shelf-marker, or other device for the purpose of clearly and conspicuously displaying the retailers regular price, designated as “regular price”, in a position contiguous to the “cents-off” marked commodity.

(5) The packager or labeler:

(i) Does not initiate more than three “cents-off” promotions of any single size commodity in the same trade area within a 12-month period;

(ii) Allows at least 30 days to lapse between “cents-off” promotions of any particular size packaged or labeled commodity in a specific trade area; and

(iii) Does not sell any single size commodity so labeled in a trade area for a duration in excess of 6 months within any 12-month period.

(6) Sales by the packager or labeler of any single size commodity so labeled in a trade area do not exceed in volume fifty percent (50%) of the total volume of sales of such size commodity in the same trade area during any 12-month period. The 12-month period used by the packager or labeler may be the calendar, fiscal, or market year provided the identical period is applied in this paragraph (b)(6) and paragraph (b)(5) of this section. Volume limits may be calculated on the basis of projections for the current year but shall not exceed 50 percent of the sales for the preceding year in the event actual sales are less than the projection for the current year.

(c) A packager or labeler will not make a “cents-off” promotion avail-

able in any circumstances where he knows or should have reason to know that it will be used as an instrumentality for deception or for frustration of value comparison, e.g., where the retailer charges a price which does not fully pass on to the consumers the represented price reduction or where the retailer fails to display the regular price in the display area of the “cents-off” marked product. Nothing in this rule, however, should be construed to authorize or condone the illegal setting or policing of retail prices by a packager or labeler in situations where he does not sell to the public.

(d) A packager or labeler who sponsors a “cents-off” promotion shall prepare and maintain invoices or other records showing compliance with this section. The invoices or other records required by this section shall be open to inspection by duly authorized representatives of this Commission and shall be retained for a period of 1 year subsequent to the end of the year (calendar, fiscal, or market) in which the “cents-off” promotion occurs.

[36 FR 23057, Dec. 3, 1971]

§ 502.101 Introductory offers.

(a) The term *introductory offer* means any printed matter consisting of the words “introductory offer” or words of similar import, placed upon a package containing any new commodity or upon any label affixed to such new commodity, stating or representing by implication that such new commodity is offered for retail sale at a price lower than the anticipated ordinary and customary retail sale price.

(b) The package or label of a consumer commodity may not have imprinted thereon by a packager or labeler an introductory offer unless:

(1) The product contained in the package is new, has been changed in a functionally significant and substantial respect, or is being introduced into a trade area for the first time.

(2) The packager or labeler clearly and conspicuously qualifies each offer on a package or label with the phrase “Introductory Offer.”

(3) The packager or labeler does not sell any commodity so labeled in a trade area for a duration in excess of 6 months.

(4) At the time of making the introductory offer promotion, the packagers or labeler intends in good faith to offer the commodity, alone, at the anticipated ordinary and customary price for a reasonably substantial period of time following the duration of the introductory offer promotion.

(c) The package or label of a consumer commodity shall not have imprinted thereon by a packager or labeler an introductory offer in the form of a “cents-off” representation unless, in addition to the requirements in paragraph (b) of this section:

(1) The packager or labeler clearly and conspicuously and in immediate conjunction with the phrase “Introductory Offer” imprints the phrase “_____ cents-off the after introductory offer price”.

(2) The packager or labeler sells the commodity so labeled (either to the trade in the event such commodity is not sold at retail by the packager or labeler, or to the public in the event such commodity is sold at retail by the packager or labeler) at a reduction from his anticipated ordinary customary price, which reduction is at least equal to the amount of the reduction from the after introductory offer price representation on the commodity package or label.

(d) A packager or labeler will not make an introductory offer with a “cents-off” representation available in any circumstance where he knows or should have reason to know that it will be used as an instrumentality for deception or for frustration of value comparison, e.g., where the retailer charges a price which does not fully pass on to consumers the represented price reduction. Nothing in this rule, however, should be construed to authorize or condone the illegal setting or policing of retail prices by a packager or labeler.

(e) A packager or labeler who sponsors an introductory offer shall prepare and maintain invoices or other records showing compliance with this section. The invoices or other records required by this section shall be open to inspection by duly authorized representatives of this Commission and shall be retained for a period of 1 year subsequent to the period of the introductory offer.

§ 502.102 “Economy size.”

(a) The term *economy size* means any printed matter consisting of the words “economy size,” “economy pack,” “budget pack,” “bargain size,” “value size,” or words of similar import placed upon any package containing any consumer commodity or placed upon any label affixed to such commodity, stating or representing directly or by implication that a retail sale price advantage is accorded the purchaser thereof by reason of the size of that package or the quantity of its contents.

(b) The package or label of a consumer commodity may not have imprinted thereon an “economy size” representation unless:

(1) The packager or labeler at the same time offers the same brand of that commodity in at least one other packaged size or labeled form.

(2) The packager or labeler offers only one packaged or labeled form of that brand of commodity labeled with an “economy size” representation.

(3) The packager or labeler sells the commodity labeled with an “economy size” representation (either to the trade in the event such commodity is not sold at retail by the packager or labeler, or to the public in the event such commodity is sold at retail by the packager or labeler), at a price per unit of weight, volume, measure, or count which is substantially reduced (i.e., at least 5 percent) from the actual price of all other packaged or labeled units of the same brand of that commodity offered simultaneously.

(c) A packager or labeler will not make an “economy size” package available in any circumstances where he knows that it will be used as an instrumentality for deception, e.g., where the retailer charges a price which does not pass on to the consumer the substantial reduction in cost per unit initially granted by the packager or labeler. Nothing in this rule, however, should be construed to authorize or condone the illegal setting or policing of retail prices by a packager or labeler.

(d) A packager or labeler who sponsors an “economy size” package shall prepare and maintain invoices or other records showing compliance with paragraph (b) of this section. The invoices

§§ 502.200–502.299

16 CFR Ch. I (1–1–06 Edition)

or other records required by this section shall be open to inspection by duly authorized representatives of this Commission and shall be retained for one year.

COMMON NAME AND INGREDIENT LISTING

§§ 502.200–502.299 [Reserved]

NONFUNCTIONAL-SLACK-FILL

§§ 502.300–502.399 [Reserved]

PART 503—STATEMENTS OF GENERAL POLICY OR INTERPRETATION

Sec.

503.1 Interpretations.

503.2 Status of specific items under the Fair Packaging and Labeling Act.

503.3 Name and place of business of manufacturer, packer, or distributor.

503.4 Net quantity of contents, numerical count.

503.5 Interpretation of the definition of “consumer commodity” as contained in section 10(a) of the Fair Packaging and Labeling Act.

503.6 Packagers’ duty to withhold availability of packages imprinted with retail sale price representations.

AUTHORITY: Secs. 4, 6, 10, 80 Stat. 1297, 1999, 1300, 1301; 15 U.S.C. 1453, 1455, 1456.

§ 503.1 Interpretations.

The regulations in parts 500, 501, and 502 of this chapter are necessarily general in application and requests for formal rulings, statements of policy or interpretations shall be addressed to the Secretary of the Commission for consideration. Statements of policy or interpretations binding on the Commission will be published in the **FEDERAL REGISTER**. However, technical questions not involving policy consideration may be answered by the staff.

[36 FR 23058, Dec. 3, 1971]

§ 503.2 Status of specific items under the Fair Packaging and Labeling Act.

Recent questions submitted to the Commission concerning whether certain articles, products or commodities are included under the definition of the term *consumer commodity*, as contained in section 10(a) of the Fair Packaging and Labeling Act, have been considered

in the light of the Commission’s interpretation of that term as set forth in § 503.5 of this part as follows:

(a) The Commission is of the opinion that the following commodities or classes of commodities are not “consumer commodities” within the meaning of the Act.

Antifreeze.
Artificial flowers and parts.
Automotive accessories.
Automotive chemical products.
Automotive replacement parts.
Bicycle tires and tubes.
Books.
Brushes (bristle, nylon, etc.).
Brooms and mops.
Cameras.
Chinaware.
Christmas light sets.
Cigarette lighters.
Clothespins (wooden, plastic).
Compacts and mirrors.
Diaries and calendars.
Flower seeds.
Footwear.
Garden tools.
Gift ties and tapes.
Glasses and glassware.
Gloves (work type).
Greeting cards.
Hand tools.
Handicraft and sewing thread.
Hardware.
Household cooking utensils.
Inks.
Jewelry.
Luggage.
Magnetic recording tape.
Metal pails.
Motor oil (automobile).
Mouse and rat traps.
Musical instruments.
Paintings and wall plaques.
Photo albums.
Pictures.
Plastic table cloths, plastic placement and plastic shelf paper.
Rubber gloves (household).
Safety flares.
Safety pins.
School supplies.
Sewing accessories.
Silverware, stainless steelware and pewterware.
Small arms ammunition.
Smoking pipes.
Souvenirs.
Sporting goods.
Toys.
Typewriter ribbons.
Woodenware.

(b) The Commission is of the opinion that the following commodities or